GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:3703
ANSWERED ON:22.08.2005
IMPORT PRICES OF ERYTHROMYCIN,THIOCYANATE AND PENCILLINE
Kuppusami Shri C.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the criteria laid down to fix the prices of bulk erythromycin and its salt;

(b) the details of international import price of erythromycin, thiocyanate and pencilline alongwith ex-fermentation price;

(c) the reasons for incompetitive prices of ex-fermentation and prices of erythromycin, thiocyanate and pencilline vis-a-vis import price from China;

(d) the capital investment and operational losses that occur to our industry as a result thereof; and

(e) the steps taken by the Government to make our fermentation industry competitive and avoid shortage?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS AND STEEL (SHRI RAM VILAS PASWAN)

(a) to (e): The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO,95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO,95. Erythromycin is a Scheduled bulk drug under DPCO, 95.

As per the import data received from the office of Director Genera! of Health Services for the year 2003-04 GIF import price of Erythromycin Thiocyanate was Rs.2306.62/KGA and that of Penicillin G I` Crystal Rs.367.58/ BOU. The price of drug intermediates like Erythromycin Thiocyanate and Penicillin G f` Crystal are not fixed by NPPA.

Production of Erythromycin Thiocyanate and Penicillin from Ex-fermentation stage may not be competitive due to the import of these items at very low prices from China. The production of these drug intermediates from ex-fermentation stage is not only capital intensive but aiso energy intensive. The competitiveness of the fermentation industry depends upon economic scale of operation, availability of power at iow cost and use of better cost effective technology of production.

Government has been allowing an extra return of four percent of production of Scheduled bulk drugs from ex-fermentation stage to encourage basic stage production as per the provisions of DPCO, 1995,